

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12480 (JTD)

(Jointly Administered)

Ref. Docket No. 435

**DECLARATION OF MICHAEL S. PIPER IN SUPPORT OF MOTION OF DEBTORS
FOR ENTRY OF ORDER (A) APPROVING THE PRIVATE SALE OF CERTAIN OF
DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS, AND
ENCUMBRANCES, WITH SUCH INTERESTS TO ATTACH TO THE
PROCEEDS, AND (B) GRANTING RELATED RELIEF**

Michael S. Piper, of full age, hereby declares as follows pursuant to 28 U.S.C. § 1746:

1. I am the managing member of AF Newco I ("Purchaser"). Purchaser is the proposed purchaser of certain assets (the "Purchased Assets") from the above-captioned debtors in possession (the "Debtors") pursuant to an asset purchase agreement between Purchaser and

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors' headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

certain of the Debtors (the “Purchase Agreement”), on the terms and conditions set forth in the Purchase Agreement. I submit this declaration in support of the Debtors’ motion for approval of the Purchase Agreement.

2. Purchaser negotiated the Purchase Agreement with the Debtors at arms’ length and in good faith. Purchaser has not colluded with the Debtors, their personnel, or any other prospective purchaser with respect to the Purchase Agreement or the proposed private sale transaction (the “Private Sale”).

3. Purchaser would not have entered into the Purchase Agreement and would not consummate the Private Sale without the benefit of an approval order (i) providing that Purchaser is purchasing the Purchased Assets free and clear of all claims against, liabilities of, and interests in any assets of the Debtors (including, without limitation, under any theory of equitable law, antitrust, or successor or transferee liability, vicarious liability, or any other similar theory or applicable state or federal law or remedy in equity) except as expressly provided in the Purchase Agreement with respect to Assumed Liabilities and (ii) enjoining all holders of claims against, liabilities of, and interests in any assets of any Debtor from asserting any such claims, liabilities, or interests against Purchaser or any entity affiliated with Purchaser.

4. Purchaser did not enter into, and I do not believe the Debtor entered into, the Purchase Agreement for the purpose of hindering, delaying, or defrauding present or future creditors of the Debtors. Purchaser is not, and I do not believe the Debtors are, entering into the Purchase Agreement or proposing to consummate the Private Sale fraudulently or for the purpose of any statutory or common law fraudulent conveyance or fraudulent transfer, whether under the Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof, or the District of Columbia. Purchaser is not an “insider” of the Debtors, I am not an insider of the

Debtors, and no member of Purchaser is an insider of the Debtors.


5. I was previously an officer of Liberty Tax Inc. (“Liberty”). I held various positions with Liberty, ultimately serving as its Chief Financial Officer of Liberty from June 2018 through its acquisition by the Debtors in 2019. I remained in the role of CFO of the Liberty segment until the Debtors’ divestiture of Liberty in 2021. I remained with Liberty post-divestiture until June 2022. Since that time, I have been employed as Chief Financial Officer of a privately held business that has no connection with the Debtors.

6. Purchaser has the financial and operational wherewithal to perform its future obligations under the leases Purchaser is assuming pursuant to the Purchase Agreement.

[signature page follows]

I declare that the foregoing is true and correct to the best of my knowledge, understanding,
and belief as of the date hereof.

Dated: December 20, 2024
Virginia Beach, Virginia


Michael S. Piper